



MICHIGAN HEALTH & HOSPITAL ASSOCIATION

Advocating for hospitals and the patients they serve.

TO: Members of the House Insurance Committee

FROM: Chris Mitchell, Director, Government Relations

DATE: May 31, 2012

SUBJECT: House Bill 5701 – Creation of the Michigan Automobile Insurance Fraud and Theft Prevention Authority

MHA Position: **SUPPORT**

The Michigan Health & Hospital Association (MHA) supports House Bill (HB) 5701, sponsored by Rep. Pete Lund (R-Shelby Twp.) which would create the Michigan Automobile Insurance Fraud and Theft Prevention Authority. As introduced, HB 5701 would establish an anti-fraud bureau to further prevent criminal activity within the auto insurance system by expanding the current Theft Prevention Authority beginning January 1, 2013.

The MHA Board of Trustees, the association and its members have a zero tolerance policy for fraudulent practices which victimize people involved in auto accidents, and cost the system millions of dollars that should go to care for those legitimately injured or to reduce premiums for all policyholders. All Michigan hospitals are required to provide access to medically appropriate care, while maintaining standards of patient safety and quality.

Throughout the auto no-fault discussion during this legislative session, some auto insurers have indicated that the significant savings for the system that will ultimately benefit consumers lies in an additional effort to eliminate fraud and abuse from the system. **The MHA strongly believes that cost containment is a priority and that HB 5701 is a critical piece to find savings within the auto no-fault insurance system.**

Along with fraud and abuse controls, the MHA has stated that a high-level cap on the personal injury protection benefit and addressing the exponential growth in the cost of attendant care would bring stability to the auto no-fault insurance system. Taken as a group, the MHA believes that these revisions to the auto no-fault law will have a substantial impact on the program moving forward and will add both definition and certainty to the law, thereby protecting the system against insolvency and preserving this vital coverage for Michigan citizens. **Today, we urge you to support House Bill 5701.**

Please contact Chris Mitchell (cmitchell@mha.org) at (517) 703-8622 at the MHA if you have further questions on this issue.

SPENCER JOHNSON, PRESIDENT

CORPORATE HEADQUARTERS ♦ 6215 West St. Joseph Highway ♦ Lansing, Michigan 48917 ♦ (517) 323-3443 ♦ Fax (517) 323-0946
CAPITOL ADVOCACY CENTER ♦ 110 West Michigan Avenue, Suite 1200 ♦ Lansing, Michigan 48933 ♦ (517) 323-3443 ♦ Fax (517) 703-8620

www.mha.org